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FM AMEMBASSY KUALA LUMPUR
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3167
INFO RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY
RUEHLO/AMEMBASSY LONDON PRIORITY 0658
RUEHUL/AMEMBASSY SEOUL PRIORITY 1772
RUEHKO/AMEMBASSY TOKYO PRIORITY 2669

UNCLAS KUALA LUMPUR 000734

SENSITIVE SIPDIS

E.O. 12958: N/A TAGS: <u>PGOV KDEM MY</u>

SUBJECT: OPPOSITION WINS ANOTHER BY-ELECTION, NOW 7 OF 8

REF: KL 588 - CLOSE BY-ELECTION

11. (U) Voters handed the opposition People's Alliance (PR) coalition another victory on August 25 by electing an Islamic Party of Malaysia (PAS) candidate into a recently vacated State Assemblyman's seat in the state of Penang. Mohd Salleh Man defeated his United Malays National Organization (UMNO) opponent Rohaizat Othman by a count of 9,618 to 5,067. The victory marks the seventh time in eight by-elections that the PR has won the public vote since the March 2008 General Elections.

Why the Opposition Won...Again

 $\underline{\mbox{1}}2.$ (SBU) Penang is one of four (out of 13 total) Malaysian states controlled by the opposition PR. Although most of PR's support comes from the state's high concentration of ethnic Chinese, this particular constituency is an ethnic Malay and PAS stronghold; it also overlaps the federal constituency held by opposition leader Anwar Ibrahim. UMNO campaign machine, led by Deputy Prime Minister (DPM) Muhyiddin Yassin attempted to win over undecided ethnic Malay voters by increasing its racial rhetoric. UMNO also attempted to lure back ethnic Chinese voters by highlighting controversial PAS policies on pig farming in neighboring Kedah and alcohol sales in Selangor. (Note: ethnic Indians, who make up roughly 8% of Malaysia's population overall, make up less than 1% of this constituency and were not considered a factor in the outcome. End Note.) Conversely, the three opposition parties (PAS; Anwar Ibrahim's multi-racial People's Justice Party(PKR); and the mainly Chinese Democratic Alliance Party (DAP)) pushed a positive theme of unity while reminding voters that the UMNO candidate had been disbarred from being an attorney last year for stealing money from a client. Although slightly fewer voters turned out for this by-election compared to the 2008 General Election, the 65%-35% margin of victory mirrors the election results from 18 months ago.

Reactions

¶3. (SBU) Compared with other by-election results, reactions by top politicians have been relatively muted. Prime Minister Najib Razak simply stated "we should look into the factors which we can improve on. The party will strengthen itself and I am confident we will recover." DPM Muhyiddin noted "this is a different political scenario as it is not only a PAS stronghold, but also a hardcore Anwar Ibrahim area." More controversially, UMNO candidate Rohaizat said his defeat was caused by "the failure of the Chinese community to fulfill its vows of support." PR's election director, PAS Vice President Mahfuz Omar, noted "the voters have completely rejected the kind of racist politics played by UMNO...the people want change and transparent governance, something that UMNO cannot provide."

¶4. (SBU) Comment: While the PR was expected to win this by-election given that it was in Anwar Ibrahim,s backyard, the results point to some larger political trends, including: despite much public squabbling between the opposition parties, they appear able to unite for elections and are cohesive during campaigns; the victory undercuts any momentum that UMNO claims it gained from the close by-election loss in Kelantan in July, in which it significantly narrowed the margin of victory in a PAS stronghold (reftel); and race-based rhetoric was largely rejected by Malay voters, having no noticeable impact on the outcome.

KEITH